

December 15, 2010

ITEM NO. C1

APPROVAL OF FY2011 COMPREHENSIVE BUDGET

To the Honorable Board of Commissioners

RECOMMENDATION

It is recommended that the Board of Commissioners approve and adopt the FY2011 Comprehensive Budget.

FUNDING
N/A

EXPLANATION

The Chicago Housing Authority is required to submit for approval by the Board, a balanced annual Comprehensive Budget detailing each of its funding sources General Fund, American Recovery and Reinvestment Act Funds, Section 8 Non-MTW fund, HOPE VI and Other Grant Programs, and the use of budgeted funds.

The FY2011 Comprehensive Budget totaling \$917.3 million includes the following fund categories:

- **General Fund.** Total revenue for FY2011 is \$823.7 million. The General Fund combines the Low-Rent, Capital and Section 8 programs into a block grant as allowed by HUD under the Amended and Restated MTW agreement. Total General Fund revenues consist of Dwelling Rental Income, Interest Income, Administrative Fee Income, Capital Grant Funds, Housing Assistance Subsidy, Operating Subsidy and Other Income.
- **American Recovery and Reinvestment Act (ARRA) – Formula Fund.** Total revenue totals \$7.0 million. ARRA funding dollars awarded to the Authority were based on a federally derived formula which allocated funds to Housing Authorities across the country in an effort to help stimulate the U.S. economy. For FY2011, these funds will be used at various CHA developments for capital related work.
- **American Recovery and Reinvestment Act (ARRA) – Competitive Fund.** Total revenue totals \$31.5 million. ARRA funding dollars awarded to the Authority were based on a competitive process which allocated funds to Housing Authorities across the country in an effort to help stimulate the U.S. economy. For FY2011, these funds will be used at various CHA mixed income, senior and family developments for

capital related work.

- **Section 8 Fund (Non-MTW).** Total revenue for these program totals \$8.1 million. These contracts provide appropriations for approximately 1,338 of Mod Rehab vouchers and 50 Mainstream vouchers for housing assistance based on annual contributions contracts from HUD.
- **Hope VI Fund.** Total revenue totals \$37.8 million. These funds are used to support relocation, demolition, revitalization, community and supportive services programs.
- **Other Funds.** Total revenue totals \$9.2 million. Revenue consists of federal, state and local grants that will be used for redevelopment and demolition work at various mixed income communities and LeClaire courts; and to enhance or augment funding for critical programs and services that the CHA provides to its residents.

The estimated sum of all revenues for fiscal year 2011 and the amount of fiscal year 2010 fund balance available for appropriation in fiscal year 2011 is equal to the estimated sum of all expenditures to be made or incurred during fiscal year 2011 and the amount of all unpaid liabilities at the beginning of fiscal year 2011.

Based upon the foregoing, it is in the best interest of the Chicago Housing Authority to adopt the FY2011 Comprehensive Budget.

RESOLUTION NO. 2010-CHA-170

WHEREAS, the Board of Commissioners has reviewed the Board letter dated December 15, 2010, entitled “APPROVAL OF THE FY2011 COMPREHENSIVE BUDGET”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners, hereby approves the attached, “FY2011 COMPREHENSIVE BUDGET”, and finds with respect to said Budget:

1. that the proposed expenditures are necessary for the efficient and economical operation of the Chicago Housing Authority for the purpose of serving low-income families;
2. that the financial plan is reasonable in that it indicates funding sources adequate to cover all proposed expenditures, and does not provide for use of Federal funding in excess of that payable under the provisions of the applicable Federal regulations; and
3. that all proposed rental charges and expenditures will be consistent with provisions of law and the Annual Contributions Contract in accordance with the Amended and Restated Moving To Work Demonstration Agreement of the Chicago Housing Authority with the U.S. Department of Housing and Urban Development.

THAT, the Chief Executive Officer and Chief Financial Officer are authorized to execute and forward to the U.S. Department of Housing and Urban Development all necessary budget documents and supporting information when applicable.

